

MEETING OF THE

LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

Officers

President

Greg Pettis, Cathedral City

First Vice President

Carl Morehouse, San Buenaventura

Second Vice President

Cheryl Viegas-Walker, El Centro

Immediate Past President

Glen Becerra, Simi Valley

Executive/Administration Committee Chair

Greg Pettis, Cathedral City

Policy Committee Chairs

Community, Economic and
Human Development
Margaret Finlay, Duarte

Energy & Environment
James Johnson, Long Beach

Transportation
Keith Millhouse, Ventura County
Transportation Commission

Tuesday, November 19, 2013

8:30 a.m. - 10:00 a.m.

SCAG Offices

**818 West 7th Street, 12th Floor
Policy Committee Room B
Los Angeles, CA 90017
(213) 236-1800**

Videoconference Available

Imperial SCAG Office

**1405 N. Imperial Avenue, Suite 1
El Centro, CA 92243**

Riverside SCAG Office

**3403 10th Street, Suite 805
Riverside, CA 92501**

San Bernardino SCAG Office

**1170 W. 3rd Street, Suite 140
San Bernardino, CA 92418**

Southbay Cities COG

**South Bay Environmental Services Center
20285 S. Western Avenue, Suite 100
Torrance, CA 90501**

Teleconference Is Available

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ruby Moreno at (213) 236-1840 or via email moreno@scag.ca.gov

Agendas & Minutes for the Legislative/ Communications and Membership Committee are also available at:

www.scag.ca.gov/committees

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1993 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1928

The Regional Council consists of 86 elected officials representing 191 cities, six counties, six County Transportation Commissions, one representative from the Transportation Corridor Agencies, one Tribal Government representative and one representative for the Air Districts within Southern California.

Legislative/Communications and Membership Committee

November 2013

Pam O'Connor, District 41	Chair
Kris Murray, District 19	Vice-Chair

Member

Barrows, Bruce
Becerra, Glen
Clark, Margaret
Daigle, Leslie
Daniels, Gene
Finlay, Margaret
Martinez, Michele
McCallon, Larry
Mitchell, Judy
Nelson, Shawn
Pettis, Greg
Rush, Adam
Viegas-Walker, Cheryl
Wapner, Alan

Representing

District 23
District 46
District 32
District 15
District 24
District 35
District 16
District 7
District 40
Orange County
District 2
RCTC
District 1
SANBAG

TELECONFERENCE LOCATIONS:

Hon. Margaret Clark
Rosemead City Hall
8838 E Valley Blvd
Rosemead, CA 91770

Hon. Margaret Finlay
2221 Rim Road
Duarte, CA 91008

Hon. Michele Martinez
Santa Ana City Hall
20 Civic Center Plaza,
Santa Ana, CA 92701

Hon. Alan Wapner
Ontario City Hall
303 E B Street
Ontario, CA 91764

LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE AGENDA NOVEMBER 19, 2013

The Legislative/Communications & Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER & ROLL CALL

(Hon. Pam O'Connor, Chair)

PUBLIC COMMENT PERIOD

Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Page

- | | | |
|--|-------------------|----------|
| 1. Minutes of September 17, 2013 Meeting | Attachment | 1 |
|--|-------------------|----------|

ACTION ITEM

- | | | |
|--|-------------------|----------|
| 2. SCAG Sponsorship and Annual Memberships | Attachment | 4 |
| <ul style="list-style-type: none">• University of Southern California Sol Price School of Public Policy Executive Education (EXED) Program – (\$10,000)• California Association of Councils of Governments (CALCOG) – (\$26,647)• Coalition for America's Gateways and Trade Corridors (CAGTC) – (\$6,500)• Southern California Leadership Council and the Center of Economic Development (SCLC) – (\$20,000) | | |
| <i>(Darin Chidsey, Acting Director of SP&PA)</i> | | |

INFORMATION/DISCUSSION ITEMS

- | | | |
|--|--------------------|----------|
| 3. 2014 State and Federal Legislative Priorities
<i>(Darin Chidsey, Acting Director of SP&PA)</i> | Attachment | 7 |
| 4. Federal & State Legislative Update
<i>(Sharon Neely, Chief Deputy Executive Director)</i> | Oral Update | |
| 5. Strategy, Policy & Public Affairs Update
<i>(Darin Chidsey, Acting Director of SP&PA)</i> | Oral Update | |

LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE AGENDA NOVEMBER 19, 2013

FUTURE AGENDA ITEMS

Any Committee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT

The next meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 a.m., Tuesday, December 17, 2013 at the SCAG Los Angeles office.

**LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**September 17, 2013
Minutes**

The Legislative/Communications & Membership Committee held its September 17, 2013 meeting at SCAG's downtown Los Angeles Office.

Members Present

Hon. Bruce Barrows, District 23
Hon. Glen Becerra, District 46 (**Teleconference**)
Hon. Margaret Clark, District 32 (**Teleconference**)
Hon. Gene Daniels, District 24
Hon. Margaret Finlay, District 35 (**Teleconference**)
Hon. Michele Martinez, District 16 (**Teleconference**)
Hon. Larry McCallon, District 7 (**Videoconference**)
Hon. Judy Mitchell, District 40 (**Videoconference**)
Hon. Jim Morton, District 26
Hon. Shawn Nelson, Orange County (**Teleconference**)
Hon. Pam O'Connor, District 41
Hon. Greg Pettis, District 2
Hon. Cheryl Viegas-Walker, District 1 (**Videoconference**)
Hon. Alan Wapner, SANBAG (**Teleconference**)

CALL TO ORDER

The meeting was called to order by Councilmember Greg Pettis at 8:32 a.m. There was a quorum.

PUBLIC COMMENT PERIOD

There were no public comments.

CONSENT CALENDAR

1. Minutes of August 20, 2013 Meeting

A motion was made (Daniels) to approve the Consent Calendar. The motion was SECONDED (Finlay) and APPROVED by roll call vote.

ACTION ITEM

2. SCAG Sponsorship

Darin Chidsey, Acting Director, introduced one item for consideration, a sponsorship for the Southern California Leadership Network (SCLN) California Connections Program. The Los Angeles Chamber of Commerce, in partner with the SCLN program helps develop and raise awareness of different leadership issues throughout Southern California. The program hosts approximately six (6) events throughout the state, focusing and expanding the participants'

Legislative/Communications & Membership Committee Minutes

knowledge of regional and statewide themes such as economic development, politics and civic engagement, and state governance and finance. Staff suggests a sponsorship of \$10,000.

A motion was made (Daniels) to recommend approval of the recommended Southern California Leadership Network (SCLN) California Connections Program sponsorship for up to \$10,000 to the Regional Council. Motion was SECONDED (McCallon) and UNANIMOUSLY approved by roll call vote.

INFORMATION ITEMS

3. Your Guide to SCAG

Angela Rushen, Manager of Media and Public Affairs, informed the about the updated version of Your Guide to SCAG. The publication serves as a reference tool and a marketing and communication piece for the agency. The guide provides a solid overview of the agency's history, its purpose, and it is updated each year to include a new message from SCAG's current president, and highlights the agency's key focus areas of the concurrent year. The 2013-2014 edition is anticipated to be printed later this month, and will be distributed at the Regional Council meeting in October.

4. End of Session State Legislative Update

Darin Chidsey, Acting Director, reported that last week marked the end of the legislative session in the California State Legislature. The report distributed to the LCMC was structured to highlight bills SCAG had taken positions on throughout the legislative session, and bills that did not move forward that relate to the Regional Council's Adopted 2013 State Legislative Priorities.

Mr. Chidsey noted that, SB 731 (Steinberg): California Environmental Quality Act (CEQA) was amended numerous times in the last hour, and made a two-year bill. However, two provisions from this bill were incorporated in SB 743 (Steinberg), a CEQA reform bill impacting the Sacramento Kings Arena in the City of Sacramento. The amended SB 743 included two state-wide provisions that focus on the Level of Service (LOS). Mr. Chidsey also noted SCAG staff will continue to analyze how this new legislation, along with additional amendments, will affect the SCAG region.

The Committee raised concerns for maintaining the Regional Council's current "work with author" position, and discussed how they would like to position themselves moving forward, and potentially oppose SB 731 if amendments do not significantly impact CEQA modernization reform. Ms. Sharon Neely, Chief Deputy Executive Director, responded by reassuring the Committee that given SB 731 is a two-year bill, there is ample opportunity to review and consult with the author's staff and report findings at the next LCMC meeting.

5. Federal & State Legislative Update

Sharon Neely, Chief Deputy Executive Director, provided a summary of current events in Washington, DC, and noted that the House and Senate had returned from recess. The imminent topic of discussion is the matter of extending the continuing resolution (CR) to December 15th.

Legislative/Communications & Membership Committee Minutes

Ms. Neely also added that the Senate Environment and Public Works Committee (EPW) is taking testimony on project acceleration. Additionally, SCAG staff recently discussed priorities for transportation reauthorization legislation with Senator Feinstein's new Chief of Staff Jennifer Duck, holding a joint meeting with the Southern California Leadership Council (SCLC), and following up with a conference call to review details about Goods Movement funding priorities. Moving forward with MAP-22 discussions, the goal is to seek \$2 billion a year for freight goods movement infrastructure, since it was removed from the MAP-21 bill. Ms. Neely believes this legislative goal is consistent with Board adopted federal goals, and will continue to keep the Committee apprised.

6. Strategy, Policy & Public Affairs Update

Darin Chidsey, Acting Director, noted his staff is in the process of refining the Agenda for SCAG's 4th Annual December 5th Economic Summit. In preparation for the Summit, SCAG hosted a meeting with a team of economists to update previous forecasts that captured Southern California's timeline for job recovery and loss in the region. Another topic of discussion was the increase of poverty in Southern California and the various ways education in the workforce can alleviate the problem of poverty. The draft Economic Summit Agenda will be shared with the GLUE Council, which is SCAG's business advisory group, and the President's Council for initial feedback and input.

9. California Legislative Matrix

The LCMC received an update on the Matrix of bills.

FUTURE AGENDA ITEMS

None.

ANNOUNCEMENTS

None.

ADJOURNMENT

The next regular meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 am – 10:00 am, Tuesday, October 15, 2013 at the SCAG Los Angeles office.

Reviewed by:



*****Darin Chidsey

Acting Director, Strategy, Policy & Public Affairs

REPORT

DATE: November 19, 2013

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Darin Chidsey; Cevalpi "Director, Strategy, Policy & Public Affairs; (213) 236-1836; chidsey@scag.ca.gov

SUBJECT: SCAG Sponsorship & Annual Memberships

RECOMMENDED ACTION:

Approve.

EXECUTIVE SUMMARY:

The Legislative/Communications & Membership Committee (LCMC) is asked to approve up to \$10,000 in sponsorships for the University of Southern California Sol Price School of Public Policy – Executive Education (EXED) Program; and \$53,147 for FY 2013/2014 memberships for: 1) California Association of Councils of Governments – CALCOG (\$26,647); and 2) Coalition for America's Gateways and Trade Corridors – CAGTC (\$6,500); and 3) Southern California Leadership Council and the Center of Economic Development (\$20,000).

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:

Sponsorship

1. University of Southern California Sol Price School of Public Policy – Executive Education (EXED) Program – (\$10,000)

The Executive Education (EXED) Forum for Policy at the University of Southern California (USC) Sol Price School of Public Policy (Price) offers a broad base of specialized non-degree certificate programs for local and global leaders. The EXED Forum is a suite of programs targeting public sector and other senior, mid-level, and emerging leaders, and is designed to deepen their understanding of substantive policy issues, augment their ability to leverage and increase existing public sector capacity, and foster leadership – all with the purpose of improving public and nonprofit administration and solving public problems. The Forum achieves this by bringing together world-renowned faculty of USC Price, experienced practitioners and a dynamic curriculum to teach and reach across boundaries.

The EXED Forum offers two programs: 1) Local Leaders Program, and 2) Global Leaders Program. The Local Leaders Program is designed for local elected officials and offers a focused curriculum in ethics, governance, leadership and public policy to promote and enhance commitment to public value and to

reach across sectors. The target audiences for this program are mayors, council members, and supervisors and special district board members. The next Local Leaders Program is scheduled for spring, February 20-22, 2014 at the USC Davidson Conference Center.

SCAG was a supporter of the USC Price EXED Forum for both the 2011-2012 and 2012-2013 programs and is listed on their website as a Strategic/Sponsoring Partner. Several SCAG cities have participated in the Local Leaders Program, including SCAG President Greg Pettis, past SCAG Presidents Larry McCallon and President Pam O'Connor, Regional Council member Alan Wapner, and Policy Committee member Ray Musser. SCAG staff is again recommending a sponsorship in the amount of \$10,000.

Annual Memberships

SCAG's participation and leadership in several organizations are central to the success of SCAG's core responsibilities and funds have been included in the approved FY 2013-2014 budget. They are consistent with SCAG work priorities for FY 2013-2014 as approved by the Regional Council.

1. California Association of Councils of Governments (CALCOG) – (\$26,647)

Established in 1977, the California Association of Council of Governments (CALCOG) is a statewide association representing 36 regional planning agencies working to assist each member in developing capacity to serve its members' needs for regional coordination and policy development. CALCOG's members serve as a forum for local governments to prepare regional plans, set regional transportation policy, strengthen the effectiveness of local government, and develop and maintain regional databases.

CALCOG works with and through its members to:

- Review plans, and policies on subjects agreed upon by members;
- Coordinate policy development as appropriate to the League of California Cities, the California State Association of Counties, the National Association of Regional Councils, and the Association of Metropolitan Planning Organizations;
- Promote more effective planning at the regional level;
- Conduct statewide workshops and conferences which provide members with an ideal opportunity to discuss key issues and learn from recognized experts in various fields;
- Provide an informational clearinghouse on issues of concern to the regions and state.

The FY 2013-2014 annual dues are \$26,647. Past President Pam O'Connor serves on their Executive Committee and Hasan Ikhata serves on the Executive Director Committee.

2. Coalition for America's Gateways and Trade Corridors (CAGTC) – (\$6,500)

SCAG is a founding member of this organization as part of the Regional Council high-priority goal to seek a federal freight funding partnership. The Coalition for America's Gateways and Trade Corridors (CAGTC) works with and through its members to raise public recognition and Congressional awareness of U.S. freight needs to promote sufficient funding in federal legislation for trade corridors, gateways, intermodal connectors and freight facilities. CAGTC is comprised of over sixty representative organizations, including state DOTs, MPOs, ports, engineering firms, and freight corridors who work to improve national freight policy. All of the Southern California freight

REPORT

stakeholders are a member of CAGTC. As a CAGTC member, SCAG will have the opportunity to participate in helping shape national freight policy and legislation with the organization. SCAG Chief Deputy Executive Director Sharon Neely currently serves as Chairman of the CAGTC Board of Directors. Regional Council Board Officers regularly travel to Washington, DC to attend their meetings and conferences. The annual dues are \$6,500.

3. Southern California Leadership Council and the Center of Economic Development – (\$20,000)

Established in 2005, The Southern California Leadership Council is comprised of business and community leaders from throughout the 7 counties of Southern California, including four former California Governors. The Leadership Council funds, prioritizes, and approves the work of the Center of Economic Development (CED); which is a regional program of the Los Angeles County Economic Development Corporation (LAEDC). As a program of the LAEDC, the CED benefits from related work of the LAEDC's acclaimed business assistance, economic research and consulting programs. The Center's work is funded, prioritized and approved by the Leadership Council to shape and solve public policy issues such as business vitality, resources (energy, water and environment), and transportation (goods and people) that are critical to SCAG and the region's economic vitality and quality of life. SCAG Executive Director SCAG Executive Director, Hasan Ikhrata attends Southern California Leadership Council meetings and regularly brings SCAG Board officers. The annual dues are \$20,000.

FISCAL IMPACT:

\$63,147 for sponsorships and memberships are included in the approved FY 13-14 General Fund budget.

ATTACHMENT:

None.

Reviewed by:



Director, Strategy, Policy & Public Affairs

Reviewed by:



Chief Financial Officer

REPORT

DATE: November 19, 2013

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Darin Chidsey, Acting Director, Strategy, Policy & Public Affairs, (213)-236-1836,
chidsey@scag.ca.gov

SUBJECT: 2014 State and Federal Legislative Priorities

RECOMMENDED ACTION:

For discussion.

EXECUTIVE SUMMARY:

The Regional Council at its January 2013 meeting adopted SCAG's 2013 State and Federal Legislative Priorities. Subsequently the Regional Council at its February 2013 meeting adopted three of these priorities deemed most critical in 2013: Project Streamlining & Expediting; Financing, Economic Development & Community Reinvestment; and Cap & Trade Funding. This report contains updated recommendations of legislative priorities for discussion by the Legislative/Communications and Membership Committee (LCMC) which build upon the priorities adopted for 2013. At SCAG's 4th annual Economic Recovery and Job Creation Summit on December 5, 2013, SCAG will seek additional input from legislative, business, and public sector leaders and bring back to the LCMC at its January 2014 a final recommendation of legislative priorities and recommendation to the Regional Council for consideration on February 6, 2014.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

BACKGROUND:

Staff makes the following recommendations for LCMC consideration from among the previously adopted 2013 state legislative priorities for adoption in 2014.

STATE LEGISLATIVE PRIORITIES

1. **Project Streamlining & Expediting:** Support legislation directed at California Environmental Quality Act (CEQA) modernization and process reform that expedite project delivery and promote the creation of jobs. Examples include legislation promoting concurrent rather than consecutive environmental review, expedited judicial review of challenges to environmental rulings, and other such acceleration measures. A top legislative priority for 2013, there was much activity through the year for significant CEQA reform, with numerous proposed CEQA reform bills introduced but, the only significant bill passing was SB 743 (Steinberg) dealing principally with expedited development of the new Sacramento Kings arena and entertainment complex, with some statewide provisions to make easier development around Transit Priority Areas consistent with provisions of SB 375.

Continued efforts to enact CEQA modernization legislation to enhance project acceleration are expected in 2014, and these outcomes consistently have been policy objectives approved by the Regional Council through the years and have been part of SCAG's legislative program for several years. SCAG has worked successfully with its partner organizations at the local and national level to include similar, consistent provisions regarding federal environmental review processes contained within the "Breaking Down Barriers" provisions developed by the Orange County Transportation Authority (OCTA) within the surface transportation authorization law, MAP-21 (Moving Ahead for Progress in the 21st Century), passed by Congress in 2012. At SCAG's December 2012 Economic Summit, prominent economists from throughout the SCAG region analyzed the impacts of accelerating project delivery, moving a 5-year tranche of the 2012–2035 RTP/SCS forward 5 years. This analysis concluded that approximately 300,000 jobs per year would be created or brought forward. Advancing five years of projects would result in a decrease in construction cost by \$1.25–1.95B (or 5–9% of construction cost). Staff anticipates that updated benefits will be shared at its fourth annual Economic Summit held in December. Staff recommends pursuing this legislative priority in 2014 through partnership with affected local and statewide transportation, business, labor, and environmental stakeholders to more quickly develop projects that will reduce harmful emissions and promote creation of jobs to effectuate continued economic turnaround throughout the region.

2. Financing, Economic Development & Community Reinvestment: Support legislation to expand use of innovative finance structures to create new opportunities for economic development, community reinvestment, and the development of transportation projects and infrastructure investment, including Public-Private Partnerships (P3s), Private Equity finance, and flexibility of local government to adopt alternate financing structures such as Infrastructure Financing Districts and local, targeted finance authorities.

In the wake of the elimination of Redevelopment Agencies (RDA's) in the 2011-12 session, a large number of post-RDA succession, alternative and clean-up bills were introduced in 2013 to assist the process of winding down former RDAs and to provide alternate structures and tools for local government to continue with some form of community economic investment. Senate President pro tempore Darrell Steinberg introduced SB 1 in 2013, which is substantially the same as his SB 1156 from the prior year (vetoed by the Governor), which provides an alternate mechanism to use tax increment finance by local government to fund development according to a plan incorporating land-use strategies that help implement sustainable communities strategies. Speaker Perez, too, introduced AB 32, a bill that would increase the amount of a tax credit allowed under existing law of a qualified investment made into a community development financial institution for local economic development.

The Governor at the end of the 2013 legislative year requested that the legislative leadership not send 'son-of-RDA' bills to him for signature this year and, with very few exceptions, no such bills passed in 2013. However these bills and others are now two-year bills and it is likely that post-RDA economic development legislation will continue to occupy the attention of the legislature in 2014. Examples of such bills introduced in 2013 that are carried over into 2014 include AB 1080 (Alejo), which would authorize certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law; and SB 33 (Wolk), which would eliminate the requirement of voter approval for creation of infrastructure finance districts and for bond issuance, and would authorize the local legislative body to form a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan and issue bonds by majority vote of the authority.

Additionally, there continues to be significant support expressed by local elected officials and business leaders for legislation promoting enhanced local, community economic development and flexible finance structures to aid economic recovery at the local and regional level. Staff expects these issues will be explored more fully at the 2014 SCAG Economic Summit in December, and recommends adoption of this priority for 2014 and will follow up to the Committee with further information or recommendations arising from the Economic Summit as appropriate.

3. **Cap-and-Trade Funding:** Support legislation that ensures an equitable portion of revenues generated from the implementation of the Cap-and-Trade program are allocated to transportation improvements that result in the reduction of pollution and GHG emissions commensurate with the transportation sector's impact in causing these emissions.

The Regional Council, following the recommendations of the LCMC, at its October 2012 meeting adopted support of principles developed by a statewide transportation coalition of which SCAG is an active, participating member, for the use of cap-and-trade auction revenues. The coalition principles are consistent with long-standing SCAG objectives to seek enhanced financing sources for transportation purposes throughout the region, and to seek and support funding to implement sustainable communities strategies mandated by SB 375. The principles also provide for flexibility at the regional and local level to develop the most cost effective ways to meet GHG reduction goals through transportation and land use investments; and specify that project-funding determinations be made at the regional level under established statewide criteria to encourage local innovation and flexibility.

SCAG, working with the statewide Transportation Coalition of Livable Communities, authored SB 574 (Lowenthal), a bill that would achieve the principles set forth by the Coalition and would, among numerous other provisions, direct cap-and-trade revenues from the Greenhouse Gas (GHG) Reduction Fund to projects that:

- Provide cost effective and feasible reductions in GHG emissions;
- Combine transportation investments with local land use modifications and other local policy changes to provide GHG emissions reductions and, where feasible, to achieve other public benefits;
- Implement an approved SCS within existing urbanized or developed areas in regions with an MPO, or for regions that do not have an MPO, projects that reduce GHG emissions consistent with the regional transportation or other regional plan;
- Comply with existing requirements to benefit economically disadvantaged communities.

SB 574 along with all other bills impacting the allocation of cap-and-trade revenues was made into a two-year bill by legislative leadership. The Governor, as part of the fiscal year 2013-14 budget process, borrowed \$500M of revenues from cap-and-trade emissions revenues from auctions held in 2012-13 for general fund purposes, to be repaid to the GHG Reduction Fund and used for purposes set forth in existing law for cap-and-trade revenues. The Administration cited as justification for borrowing these funds the fact that the scoping plan under preparation by the California Air Resources Board is not yet completed and, thus, the full range of potential uses for cap-and-trade monies will not be known until the plan is finalized. It is anticipated that the Department of Finance will commence development of the expenditure plan for cap-and-trade monies, with affected agencies and stakeholder input, in early 2014 for passage by the legislature and adoption in conjunction with passage of the 2014-15 state budget. SCAG, working with and through the Coalition, will continue to advocate for policies and expenditure priorities adopted by the Regional Council and embodied within the principles of the Coalition. Cap-and-trade revenue remains the only

significant new source of funding during this time of severe budgetary and fiscal constraint at the state level to finance these important projects.

4. **‘MAP-21’ Implementing Legislation:** Support state legislation that ensures funding under the new federal surface transportation reauthorization law, MAP-21 (Moving Ahead for Progress in the 21st Century), is invested in transportation projects that improve air quality and expand the capacity of the entire transportation system from state highways to intercity rail. In 2013, two state legislative bills that were supported by SCAG were signed into law implementing portions of the MAP-21 surface transportation implementation bill. AB 14 (Lowenthal), requires the state transportation agency to establish the state freight plan containing specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight, consistent with the goals and objectives of MAP-21.

Additionally, AB 99 was enacted, and consolidates various active transportation programs into one, called the Active Transportation Program (ATP), a \$124M program which, among many provisions consolidates various federal funds into the ATP including: Federal Transportation Alternatives Program (except that allocated to MPOs); Recreational Trails Program (except that allocated to Parks and Recreation); Highway Safety Improvement Funds (HSIP). It also requires that no less than 25% of overall funds benefit disadvantaged communities during each program cycle. Subsequently, the California Transportation Commission (CTC) has held numerous ATP Workgroup meetings, of which SCAG is a participant, to provide expertise and recommendations to the CTC to develop program guidelines and subsequent revisions, project selection criteria, performance measures, and other guidance.

Staff recommends continuing to supporting any 2014 state legislation that promotes implementation of the MAP-21 surface transportation law.

5. **International Trade and Ports:** Support legislation that will increase exports congruent with President Barack Obama’s National Export Initiative (NEI) to double exports and creates two million jobs over five years. In addition, prevent the loss of international trade-related jobs in the Southern California region that are at jeopardy from the expanded investments by East and Gulf Coast Ports and the Panama Canal. Suggested/recommended ideas include providing tax credit certificates to exporters and importers and establishing a successor agency to the former California Export Finance Office (CEFO) to assist businesses throughout the state expand their business, revenues, and employment.

SB 592 (Price) introduced in 2013 calls for promotion of trade at California ports by requiring the Governor’s Office of Business and Economic Development to provide to the Legislature, a strategy for promoting trade for California airports, land ports and seaports, and to require that the strategy be submitted to various legislative offices, and would also require the Governor’s Office of Business and Economic Development to convene a statewide business partnership for promotion of trade for California ports and to explore greater utilization of California ports. Staff recommends continued support of legislation such as SB 592, and SB 810 (Price), supported by SCAG, that would authorize tax credit certificates to any qualifying exporters and importers that demonstrate that they have increased their cargo tonnage or value through California ports and airports by specified amounts, had a net increase in qualified full-time employees hired in the state, or have incurred capital costs for a cargo facility in the state; and any other legislative bills that promote trade at California ports.

6. **Entertainment Tax Credit:** Support legislation that will extend the entertainment tax credit long-term (i.e., five years or more) in order to stop the loss of entertainment jobs, investment and support industries unique to one of Southern California's touchstone industries. California's \$100 million annual Film/TV Tax Credit program, in place since 2009, was extended to 2017 pursuant to legislation signed by Governor Brown in 2012. The program provides for a 20% tax credit for a qualified motion picture which includes feature films, movie of the weeks, mini-series, as well as new television series licensed for original distribution on basic cable with specified exclusions. It also includes a 25% tax credit for qualified TV series that filmed all of its prior season or seasons outside of California, and for qualified independent films. This successful program is deemed by the industry to be insufficient compared to the demonstrated need to keep more of California's large, vibrant film and entertainment industry from going to other jurisdictions with very favorable tax incentives to produce projects that might otherwise be produced in California: jurisdictions such as New York, which recently tripled its post-production tax credit, Louisiana, Michigan, Georgia, and locations throughout Canada such as Vancouver. Currently, California projects are selected by 'lottery' with many more qualifying projects competing than are selected for available credits. L.A. Mayor Eric Garcetti has signaled as a priority this year his intent to vigorously advocate for a more robust film/entertainment tax credit program, citing its importance in particular to the Southern California economy and to the state as a whole.

7. **Water Bond:** Support legislation that invests in water infrastructure that establishes a sufficient and reliable source of water to the Southern California region, which comprises approximately half of the state's population. The 2014 water bond is the product of a comprehensive legislative package crafted in 2009 by Governor Schwarzenegger and state lawmakers to meet California's growing water challenges, and was composed of four policy bills and an \$11.14 billion bond. The water bond measure was originally set to be on the state's 2010 ballot, was later moved to the 2012 ballot and, on July 5, 2012, the legislature took the measure off the 2012 ballot and put it on the 2014 ballot to provide a public cost share for elements of the package that benefit the public. Since then, there have been a number of bills introduced, none of which have passed, that would in various ways reduce the overall size of the bond, generally reduce 'earmarked' projects of the bond, and protect various priority areas. A number of state legislators, including leadership, have opined that passage of such a large water bond in a general election would be tenuous, given the state's overall severe budget constraints and the program cuts that have occurred in recent state budgets. Staff recognizes the extreme need for California to invest in its water infrastructure, and to support equitable distribution of state funded water resources to the Southern California region, including as allocated by legislation that may pass in 2014 amending the current water bond.

FEDERAL LEGISLATIVE PRIORITIES

8. **Surface Transportation Authorization Legislation:** The federal surface transportation authorization, MAP-21, is set to expire on September 30, 2014. The authorizing Committees of the Senate and House have expressed intent to write and move the successor authorizing bill to MAP-21. The House Transportation and Infrastructure Committee convened a Special Panel on 21st Century Freight Transportation, comprised of nationwide transportation stakeholders from the public and private sectors, to make recommendations to the Committee for inclusion into the next authorization bill. SCAG, through its membership in the Coalition for America's Gateways and Trade Corridors and working with California members on the Panel supported its efforts, and staff recommends among its legislative principles the support of Panel recommendations to Congress that it:

- **Authorize dedicated, sustainable funding for multimodal freight Projects of National and Regional Significance (PNRS):** Authorize dedicated, sustainable funding for multimodal freight PNRS through a competitive grant process and establish clear benchmarks for project selection;
- **Establish a national, multimodal freight policy and network:** As called for in Panel Member Rep. Sires' (D-NJ) MOVE Freight Act of 2013 (H.R. 974), freight policy and planning should incorporate the many modes of transportation that move goods;
- **Ensure robust public investment in all modes:** Freight does not move on highways alone – where public benefit is derived, public investment must be made. Further, private investment should be encouraged when possible and appropriate; and
- **Explore additional funding mechanisms:** Sustainable freight revenue sources should be identified and evaluated by the U.S. Department of Transportation and Congress prior to the next surface transportation authorization.

In addition to supporting the recommendations of the Panel, staff recommends SCAG to support full restoration into the successor surface transportation authorization bill (currently referred to as “MAP-22”), the \$2B per year funding of the National Freight Program, which was established by MAP-21 to distribute these funds to states for the purpose of improving the flow of goods throughout the nation. This vital funding authorization was removed from MAP-21 in conference committee; restoring it into the next authorization bill should remain a top priority for the next authorization bill.

In addition to freight related issues, the federal Highway Trust Fund is not sustainable under the present financing mechanism. SCAG supports all reasonable and fiscally prudent financing options to address the pending insolvency of the federal Highway Trust Fund (HTF), which the Congressional Budget Office (CBO) has concluded that, beginning in fiscal year 2015, will have insufficient resources to meet all of its obligations which will result in steadily accumulating shortfalls. According to CBO, since 2008 the Congress has transferred over \$41B from the general fund to the HTF to keep it solvent. Staff recommends SCAG support all reasonable solutions to provide stable, sufficient funding to address HTF solvency. SCAG's 2012-2035 Regional Transportation Plan/Sustainable Committees Strategy assumes that additional 15 cents-per-gallon gasoline tax imposed by the state and federal government starting in 2017 through 2024 and an estimated \$0.05 per mile (in 2011 dollars) is assumed starting in 2025 to replace existing gas tax revenues.

9. **Project Streamlining & Expediting:** Support legislation to build upon the provisions of MAP-21 to continue to improve efficiency of environmental reviews, advance pre-construction activities, promote integrated planning and programming, and clarify environmental roles to eliminate duplication to further accelerate project delivery without compromising environmental review. Support America Fast Forward and policies allowing for the use of “design-build” where appropriate, combining projects to accelerate construction, expanded use of private funding partners, and allowing greater flexibility to purchase right of way ahead of the final NEPA decision, and to design at risk ahead of the NEPA decision.

ATTACHMENT: None.